

# State Liquor Dispensary

**STARS Number & Budget Unit:** 185 GVGA, 185 GVGB(Cont), 185 GVGC

**Bill Number & Chapter:** S1199 (Ch.181)

PROGRAM DESCRIPTION: The State Liquor Dispensary regulates and controls the traffic and sale of alcoholic liquor. [Statutory Authority: Idaho Code §23-201 et seq.]

<b>DIVISION SUMMARY:</b>	<b>FY 2006 Total Appr</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Total Appr</b>	<b>FY 2008 Request</b>	<b>FY 2008 Gov Rec</b>	<b>FY 2008 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	12,214,700	11,884,800	15,270,800	17,084,800	16,073,100	16,640,900
Percent Change:		(2.7%)	28.5%	11.9%	5.3%	9.0%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	8,435,700	8,327,000	8,613,100	9,539,300	9,189,000	9,545,900
Operating Expenditures	3,372,700	3,396,100	3,975,000	4,554,900	4,103,500	4,411,900
Capital Outlay	406,300	161,700	2,682,700	2,990,600	2,780,600	2,683,100
Total:	12,214,700	11,884,800	15,270,800	17,084,800	16,073,100	16,640,900
Full-Time Positions (FTP)	166.00	166.00	180.00	193.00	187.00	193.00

In accordance with Section 67-3519, Idaho Code, this division is authorized no more than 193 full-time equivalent positions at any point during the period July 1, 2007 through June 30, 2008 for the programs specified.

<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>
<b>FY 2007 Original Appropriation</b>	<b>180.00</b>	<b>0</b>	<b>15,270,800</b>	<b>0</b>	<b>15,270,800</b>
Removal of One-Time Expenditures	0.00	0	(2,707,200)	0	(2,707,200)
<b>FY 2008 Base</b>	<b>180.00</b>	<b>0</b>	<b>12,563,600</b>	<b>0</b>	<b>12,563,600</b>
Benefit Costs	0.00	0	137,300	0	137,300
Inflationary Adjustments	0.00	0	60,500	0	60,500
Replacement Items	0.00	0	431,700	0	431,700
Statewide Cost Allocation	0.00	0	(800)	0	(800)
Change in Employee Compensation	0.00	0	358,800	0	358,800
<b>FY 2008 Maintenance (MCO)</b>	<b>180.00</b>	<b>0</b>	<b>13,551,100</b>	<b>0</b>	<b>13,551,100</b>
1. Warehouse Expansion and Improvements	0.00	0	2,000,000	0	2,000,000
2. Additional Staffing	7.00	0	264,100	0	264,100
3. Three New Stores	6.00	0	677,500	0	677,500
4. Upgrade Secure Remote Access	0.00	0	148,200	0	148,200
<b>FY 2008 Total Appropriation</b>	<b>193.00</b>	<b>0</b>	<b>16,640,900</b>	<b>0</b>	<b>16,640,900</b>
% Change From FY 2007 Original Approp.	7.2%		9.0%		9.0%

**APPROPRIATION HIGHLIGHTS:** Benefit costs were adjusted to restore one medical insurance premium holiday and seven life insurance premium holidays. JFAC also stipulated that increases in health insurance costs be paid from reserves. An inflationary adjustment for contractual rent increases was provided. Replacement capital outlay included security systems for four stores, 180 back office/front register computers, 60 back office printers, 90 hand-held scanners, and four central office network servers. Replacement operating expenditures included 100 receipt printers and register scanners, six software contracts, 238 software upgrades, and repairing and resurfacing the warehouse floor. Statewide cost allocation adjustments decreased Attorney General fees by \$17,500, increased risk management fees by \$800, increased Controller's fees by \$15,100, and increased State Treasurer fees by \$800, for a net decrease of \$800. The Change in Employee Compensation was funded at 5%. Four line items were included in the appropriation. Line item 1 provided \$2,000,000 (one-time) for the second year of the three-year warehouse expansion and improvement project. Line item 2 provided \$264,100 (\$217,100 ongoing; \$47,000 one-time) for seven FTP (six liquor store clerk positions and one shipping/receiving material handler to work in the warehouse), along with one high lift stock picker and two rider pallet trucks. Line item 3 provided \$677,500 (\$467,500 ongoing; \$210,000 one-time) and six FTP (three clerks and three managers) for three new state liquor stores to be located in the Nampa/Caldwell, Idaho Falls/Ammon and Coeur d'Alene/Post Falls areas. Line item 4 provided \$148,200 (\$28,800 ongoing; \$119,400 one-time) to upgrade secure remote access and equipment in all 56 state liquor stores to digital subscriber lines with local area network connections.

**OTHER LEGISLATION:** H180 made the following changes to the liquor revenue distribution formula: renamed the alcohol treatment fund to the substance abuse treatment fund and increased the distribution to this fund from \$1,200,000 to \$2,080,000; provided for an annual distribution of \$680,000 to the drug court, mental health court, and family court services fund for the purpose of court coordination and drug testing; and created the drug and mental health court supervision fund in the state treasury and provided for an annual distribution of \$440,000 to this fund for offender supervision by the Idaho Department of Correction.

**ANALYST COMMENTS:** Expenditures for the warehouse expansion and improvement project (line item 1) are to be made from the liquor warehouse remodel fund, which was created in 2006 by S1466.

<b>FY 2008 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0418-00 Liquor Control	193.00	9,545,900	4,286,900	0	0	0	13,832,800
OT D 0418-00 Liquor Control	0.00	0	125,000	683,100	0	0	808,100
OT D 0418-03 Liq Wrhs Remodel	0.00	0	0	2,000,000	0	0	2,000,000
Totals:	193.00	9,545,900	4,411,900	2,683,100	0	0	16,640,900